

DICK'S SPORTING GOODS, INC.
GAAP to NON-GAAP RECONCILIATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

13 Weeks Ended January 28, 2017

| | Cost of goods sold | Selling, general and administrative expenses | Pre-opening expenses | Income before income taxes | Net income ⁽⁵⁾ | Earnings per diluted share |
|--|-------------------------------|---|---------------------------------|---|--------------------------------------|---------------------------------------|
| GAAP Basis | \$ 1,763,669 | \$ 575,573 | \$ 5,977 | \$ 143,020 | \$ 90,188 | \$ 0.81 |
| <i>% of Net Sales</i> | <i>71.02%</i> | <i>23.18%</i> | <i>0.24%</i> | <i>5.76%</i> | <i>3.63%</i> | |
| Inventory write-down ⁽¹⁾ | (46,379) | - | - | 46,379 | 28,755 | |
| Non-cash impairment and store closing charge ⁽²⁾ | - | (32,821) | - | 32,821 | 20,349 | |
| Non-operating asset impairment ⁽³⁾ | - | (7,707) | - | 7,707 | 4,778 | |
| TSA and Golfsmith integration costs ⁽⁴⁾ | - | (2,054) | (3,957) | 6,011 | 3,727 | |
| Non-GAAP Basis | \$ 1,717,290 | \$ 532,991 | \$ 2,020 | \$ 235,938 | \$ 147,797 | \$ 1.32 |
| <i>% of Net Sales</i> | <i>69.15%</i> | <i>21.46%</i> | <i>0.08%</i> | <i>9.50%</i> | <i>5.95%</i> | |

⁽¹⁾ Inventory write-down to net realizable value in connection with the Company's new merchandising strategy.

⁽²⁾ Includes non-cash impairment of store assets and store closing charges primarily related to ten Golf Galaxy stores in overlapping trade areas with former Golfsmith stores.

⁽³⁾ Non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

⁽⁴⁾ Costs related to converting former TSA and Golfsmith stores.

⁽⁵⁾ The provision for income taxes for Non-GAAP adjustments was calculated at 38%, which approximates the Company's blended tax rate.

DICK'S SPORTING GOODS, INC.
GAAP to NON-GAAP RECONCILIATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

52 Weeks Ended January 28, 2017

| | Cost of goods sold | Selling, general and administrative expenses | Pre-opening expenses | Income before income taxes | Net income ⁽⁵⁾ | Earnings per diluted share |
|--|-------------------------------|---|---------------------------------|---|--------------------------------------|---------------------------------------|
| GAAP Basis | \$ 5,556,198 | \$ 1,875,643 | \$ 40,286 | \$ 458,422 | \$ 287,396 | \$ 2.56 |
| <i>% of Net Sales</i> | <i>40.14%</i> | <i>23.68%</i> | <i>0.51%</i> | <i>5.79%</i> | <i>3.63%</i> | |
| Inventory write-down ⁽¹⁾ | (46,379) | - | - | 46,379 | 28,755 | |
| Non-cash impairment and store closing charge ⁽²⁾ | - | (32,821) | - | 32,821 | 20,349 | |
| Non-operating asset impairment ⁽³⁾ | - | (7,707) | - | 7,707 | 4,778 | |
| TSA and Golfsmith integration costs ⁽⁴⁾ | - | (8,545) | (5,102) | 13,647 | 8,461 | |
| Non-GAAP Basis | \$ 5,509,819 | \$ 1,826,570 | \$ 35,184 | \$ 558,976 | \$ 349,739 | \$ 3.12 |
| <i>% of Net Sales</i> | <i>69.55%</i> | <i>23.06%</i> | <i>0.44%</i> | <i>7.06%</i> | <i>4.41%</i> | |

(1) Inventory write-down to net realizable value in connection with the Company's new merchandising strategy.

(2) Includes non-cash impairment of store assets and store closing charges primarily related to ten Golf Galaxy stores in overlapping trade areas with former Golfsmith stores.

(3) Non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

(4) Costs related to converting former TSA and Golfsmith stores.

(5) The provision for income taxes for Non-GAAP adjustments was calculated at 38%, which approximates the Company's blended tax rate.

DICK'S SPORTING GOODS, INC.
GAAP to NON-GAAP RECONCILIATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

52 Weeks Ended January 30, 2016

| | Selling, general and administrative expenses | Income before income taxes | Net income ⁽²⁾ | Earnings per diluted share |
|---|---|---------------------------------------|----------------------------------|---------------------------------------|
| GAAP Basis | \$ 1,613,075 | \$ 530,875 | \$ 330,391 | \$ 2.83 |
| <i>% of Net Sales</i> | <i>22.19%</i> | <i>7.30%</i> | <i>4.54%</i> | |
| Litigation settlement charge ⁽¹⁾ | (7,884) | 7,884 | 4,730 | |
| Non-GAAP Basis | \$ 1,605,191 | \$ 538,759 | \$ 335,121 | \$ 2.87 |
| <i>% of Net Sales</i> | <i>22.08%</i> | <i>7.41%</i> | <i>4.61%</i> | |

⁽¹⁾ The Company recorded a pre-tax litigation settlement charge of \$7.9 million.

⁽²⁾ The provision for income taxes for Non-GAAP adjustments was calculated at 40%, which approximated the Company's blended tax rate.

Adjusted EBITDA

Adjusted EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity. Adjusted EBITDA, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA is a key metric used by the Company that provides a measurement of profitability that eliminates the effect of changes resulting from financing decisions, tax regulations, capital investments and certain non-recurring, infrequent or unusual items.

| | 13 Weeks Ended | |
|---|-------------------------------|-----------------------------|
| | January 28, 2017 | January 30, 2016 |
| | (dollars in thousands) | |
| Net income | \$ 90,188 | \$ 128,993 |
| Provision for income taxes | 52,832 | 76,223 |
| Interest expense | 1,843 | 1,462 |
| Depreciation and amortization | 84,703 | 56,911 |
| EBITDA | <u>\$ 229,566</u> | <u>\$ 263,589</u> |
| Add: Inventory write-down | 46,379 | - |
| Add: Non-cash impairment and store closing charge | 32,821 | - |
| Add: TSA and Golfsmith integration costs | 6,011 | - |
| Adjusted EBITDA, as defined | <u>\$ 314,777</u> | <u>\$ 263,589</u> |
| | 19% | |

| | 52 Weeks Ended | |
|---|-------------------------------|-----------------------------|
| | January 28, 2017 | January 30, 2016 |
| | (dollars in thousands) | |
| Net income | \$ 287,396 | \$ 330,391 |
| Provision for income taxes | 171,026 | 200,484 |
| Interest expense | 5,856 | 4,012 |
| Depreciation and amortization | 233,834 | 193,594 |
| EBITDA | <u>\$ 698,112</u> | <u>\$ 728,481</u> |
| Add: Inventory write-down | 46,379 | - |
| Add: Non-cash impairment and store closing charge | 32,821 | - |
| Add: TSA and Golfsmith integration costs | 13,647 | - |
| Add: Litigation settlement charge | - | 7,884 |
| Adjusted EBITDA, as defined | <u>\$ 790,959</u> | <u>\$ 736,365</u> |
| | 7% | |

Reconciliation of Gross Capital Expenditures to Net Capital Expenditures

The following table represents a reconciliation of the Company's gross capital expenditures to its capital expenditures, net of tenant allowances.

| | Fiscal Year Ended | |
|---|-------------------------------|-----------------------------|
| | January 28, 2017 | January 30, 2016 |
| | (dollars in thousands) | |
| Gross capital expenditures | \$ (421,920) | \$ (370,028) |
| Proceeds from sale-leaseback transactions | - | - |
| Deferred construction allowances | 179,864 | 165,616 |
| Construction allowance receipts | - | - |
| Net capital expenditures | <u>\$ (242,056)</u> | <u>\$ (204,412)</u> |

Reconciliation of Non-GAAP Consolidated Net Income and Earnings Per Diluted Share Guidance

| | 13 Weeks Ended April 29, 2017 | | | | 53 Weeks Ended February 3, 2018 | | | |
|--|--------------------------------------|----------------|------------------|----------------|--|----------------|-------------------|----------------|
| | Low-End | | High-End | | Low-End | | High-End | |
| | Amount | EPS | Amount | EPS | Amount | EPS | Amount | EPS |
| GAAP consolidated net income and earnings per diluted share | \$ 54,000 | \$ 0.48 | \$ 59,500 | \$ 0.53 | \$ 405,000 | \$ 3.63 | \$ 416,000 | \$ 3.73 |
| Costs to convert former TSA stores | 3,200 | | 3,200 | | 3,200 | | 3,200 | |
| Tax effect of the above item | 1,216 | | 1,216 | | 1,216 | | 1,216 | |
| Non-GAAP consolidated net income and earnings per diluted share | <u>\$ 55,984</u> | <u>\$ 0.50</u> | <u>\$ 61,484</u> | <u>\$ 0.55</u> | <u>\$ 406,984</u> | <u>\$ 3.65</u> | <u>\$ 417,984</u> | <u>\$ 3.75</u> |